

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

Southern District of New York

In re Bernsohn & Fetner LLC,
Debtor

Case No. 17-23707(RDD)

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: July 2018

Date filed: 08/21/2018

Line of Business: General Contractor

NAISC Code: 236115

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:

/s/ Steven Fetner
Original Signature of Responsible Party

Steven Fetner
Printed Name of Responsible Party

Questionnaire: *(All questions to be answered on behalf of the debtor.)*

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNTS?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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|---|--------------------------|-------------------------------------|
| 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL INCOME	\$	<u>0.00</u>
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SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month	\$	<u>87,934.87</u>
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Cash on Hand at End of Month	\$	<u>44,949.15</u>
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PROVIDE THE TOTAL AMOUNT OF CASH AVAILABLE TO YOU DURING MONTH	TOTAL	\$	<u>87,934.87</u>
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(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL EXPENSES	\$	<u>42,985.72</u>
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(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH <i>(TOTAL FROM EXHIBIT B)</i>	\$	<u>0.00</u>
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EXPENSES FOR THE MONTH <i>(TOTAL FROM EXHIBIT C)</i>	\$	<u>-42,985.72</u>
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<i>(Subtract Line C from Line B)</i>	CASH PROFIT FOR THE MONTH	\$	<u>-42,985.72</u>
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UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL PAYABLES \$ 9,528.00

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL RECEIVABLES \$ 0.00

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?	<u>1</u>
NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?	<u>1</u>

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?	\$ <u>42,985.72</u>
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TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?	\$ <u>184,402.00</u>
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NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?	\$ <u>0.00</u>
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TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?	\$ <u>0.00</u>
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PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
EXPENSES	\$ <u>-51,985.72</u>	\$ <u>-42,985.72</u>	\$ <u>9,000.00</u>
CASH PROFIT	\$ <u>-51,985.72</u>	\$ <u>-42,985.72</u>	\$ <u>9,000.00</u>

TOTAL PROJECTED INCOME FOR THE NEXT MONTH: \$ 0.00

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH: \$ -28,974.19

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH: \$ -28,974.19

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

Bernsohn & Fetner LLC
Case No. 17-23707 (RDD)
Monthly Operating Report for the Month of July 2018

NOTES TO THE MONTHLY OPERATING REPORT:

Questions #1 and #8

The Debtor is operating but is currently inactive. Its current focus is collecting receivables and settling disputes. Once it is back on an even keel, it may take on new projects.

Question #3

The Debtor has one employee/managing member, Steven Fetner. Mr. Fetner had agreed to defer his salary/guaranteed payment of \$1,500 per week until such time as the debtor has more available funds. Accordingly, Mr. Fetner began receiving his accrued salary/guaranteed payments, on a monthly basis, during January 2018, and is now paid through July 2018.

Question #7

Question #7 is inapplicable; as, the Debtor has no insurance policies, as discussed at the initial intake interview.

EXHIBITS TO THE MONTHLY OPERATING REPORT:

Exhibit A – Income, Exhibit B – Expenses, and Exhibit C – Cash Profit

The Debtor received no income this Reporting Period.

The Debtor paid cash expenses this Reporting Period in the amount of \$42,985.72, as follows:

07/02/18	\$ 16,044.00	Check 1020 – Mayerson & Hartheimer PLLC, 1 st Fee Application
07/10/18	\$ 7,597.00	Wire Transfer – Vernon Consulting, Inc., May 2018 Professional Fees and 1 st Fee Application, net of Wire Transfer Fees.
07/10/18	\$ 25.00	Wire Transfer Fee – Withheld from Vernon Consulting, Inc. Fees.
07/23/18	\$ 19,294.72	Wire Transfer – Mayerson & Hartheimer PLLC, May 2018 Professional Fees, net of Wire Transfer Fees.
07/23/18	\$ 25.00	Wire Transfer Fee – Withheld from Mayerson & Hartheimer Fees.

during the period covered by this Monthly Operating Report (“MOR”). Accordingly, the cash profit recorded for July 2018 is \$-42,985.72. An income statement and balance sheet were not prepared for this period.

Exhibit D - Unpaid Bills

Professionals Mayerson & Hartheimer PLLC and Vernon Consulting, Inc have had 20% of their fees held back totaling \$8,864, and \$664, respectively.

Exhibit E - Money Owed to You

There are no post-petition amounts owed to Debtor.

Exhibit F - Banking Information

The Debtor opened its debtor-in-possession operating banking account (x7401) and tax account (x7428) at Signature Bank on November 9, 2017. The bank statements for July 2018 for both accounts are included in this month's Report.

Checks Outstanding

As of July 31, 2018, there are checks outstanding in the amount of \$9,975.00. This amount is included in the projected cash expenses for August 2018.



SIGNATURE BANK

565 Fifth Avenue, 12th Floor
New York, NY 10017

Statement Period
 From July 01, 2018
 To July 31, 2018
 Page 1 of 3

PRIVATE CLIENT GROUP 131
 565 FIFTH AVENUE
 NEW YORK, NY 10017

BERNSOHN & FETNER LLC, DEBTOR IN 9-131
 POSSESSION - OPERATING ACCOUNT
 17-23707-RDD
 12 VAN HOUTEN STREET
 UPPER NYACK NY 10960 999

See Back for Important Information

Primary Account: [REDACTED] 401 1

AVOID BUSINESS E-MAIL FINANCIAL FRAUD! PLEASE VISIT THE PRIVACY & SECURITY
 SECTION ON SIGNATURENY.COM LOCATED UNDER THE 'ABOUT US' HEADING. SELECT
 'BUSINESS E-MAIL COMPROMISE' TO READ THE RECENT NEWS FROM THE FEDERAL
 BUREAU OF INVESTIGATION REGARDING FRAUD TARGETING BUSINESSES INCLUDING
 GUIDANCE ON WHAT YOU CAN DO TO REDUCE YOUR RISK OF BECOMING A VICTIM.
 SIGNATURE BANK BELIEVES THAT THIS IS IMPORTANT NEWS TO SHARE WITH OUR
 CLIENTS. WE ARE MAKING IT AVAILABLE TO YOU FOR YOUR INFORMATION AND ANY
 ACTION THAT YOU MAY CONSIDER APPROPRIATE.

Signature Relationship Summary**Opening Bal.****Closing Bal.**

BANK DEPOSIT ACCOUNTS

[REDACTED] 7401	BANKRUPTCY CHECKING	87,934.87	44,949.15
RELATIONSHIP	TOTAL		44,949.15

Signature

Statement Period
From July 01, 2018
To July 31, 2018
Page 2 of 3

PRIVATE CLIENT GROUP 131
565 FIFTH AVENUE
NEW YORK, NY 10017

BERNSOHN & FETNER LLC, DEBTOR IN 9-131
POSSESSION - OPERATING ACCOUNT
17-23707-RDD
12 VAN HOUTEN STREET
UPPER NYACK NY 10960 999

See Back for Important Information

Primary Account: [REDACTED] 7401 1

BANKRUPTCY CHECKING [REDACTED] 7401

Summary

Previous Balance as of July	01, 2018	87,934.87
5 Debits		42,985.72
Ending Balance as of July	31, 2018	44,949.15

Withdrawals and Other Debits

Jul 10	OUTGOING WIRE XFER	7,597.00
	REF# [REDACTED] 00228	
	TO: VERNON CONSULTING INC	ABA: [REDACTED]
	BANK: [REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	OBI: [REDACTED]	
	OBI: [REDACTED]	
Jul 10	WIRE TRANSFER FEE	25.00
	REF# [REDACTED] 0228	
	TO: VERNON CONSULTING INC	ABA: [REDACTED]
	BANK: [REDACTED]	ACCT# [REDACTED]
	OBI: [REDACTED]	
	OBI: [REDACTED]	
	OBI: [REDACTED]	
Jul 23	OUTGOING WIRE XFER	19,294.72
	REF# [REDACTED] 00451	
	TO: MAYERSON & HARTHEIMER PLLC	ABA: [REDACTED]
	BANK: [REDACTED]	ACCT# [REDACTED]
Jul 23	WIRE TRANSFER FEE	25.00
	REF# [REDACTED] 00451	
	TO: MAYERSON & HARTHEIMER PLLC	ABA: [REDACTED]
	BANK: [REDACTED]	ACCT# [REDACTED]

Signature

Statement Period
From July 01, 2018
To July 31, 2018
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PRIVATE CLIENT GROUP 131
565 FIFTH AVENUE
NEW YORK, NY 10017

BERNSOHN & FETNER LLC, DEBTOR IN 9-131
POSSESSION - OPERATING ACCOUNT
17-23707-RDD
12 VAN HOUTEN STREET
UPPER NYACK NY 10960 999

See Back for Important Information

Primary Account: [REDACTED] 7401 1

Checks by Serial Number

Jul 02	1020	16,044.00
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Daily Balances

Jun 30	87,934.87	Jul 10	64,268.87
Jul 02	71,890.87	Jul 23	44,949.15

Rates for this statement period - Overdraft
Jul 01, 2018 14.750000 %



SIGNATURE BANK

565 Fifth Avenue, 12th Floor
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Statement Period
 From July 01, 2018
 To July 31, 2018
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PRIVATE CLIENT GROUP 131
 565 FIFTH AVENUE
 NEW YORK, NY 10017

BERNSOHN & FETNER LLC, DEBTOR IN 8-131
 POSSESSION - TAX ACCOUNT
 17-23707-RDD
 12 VAN HOUTEN STREET
 UPPER NYACK NY 10960 999

See Back for Important Information

Primary Account: 7428 0

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 CLIENTS. WE ARE MAKING IT AVAILABLE TO YOU FOR YOUR INFORMATION AND ANY
 ACTION THAT YOU MAY CONSIDER APPROPRIATE.

Signature Relationship Summary**Opening Bal.****Closing Bal.**

BANK DEPOSIT ACCOUNTS

7428	BANKRUPTCY CHECKING	.00	.00
RELATIONSHIP	TOTAL		.00

Signature

Statement Period
From July 01, 2018
To July 31, 2018
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PRIVATE CLIENT GROUP 131
565 FIFTH AVENUE
NEW YORK, NY 10017

BERNSOHN & FETNER LLC, DEBTOR IN 8-131
POSSESSION - TAX ACCOUNT
17-23707-RDD
12 VAN HOUTEN STREET
UPPER NYACK NY 10960 999

See Back for Important Information

Primary Account: [REDACTED] 7428 0

BANKRUPTCY CHECKING [REDACTED] 7428

Summary

Previous Balance as of July 01, 2018 .00

There was no deposit activity during this statement period

Ending Balance as of July 31, 2018 .00

Rates for this statement period - Overdraft
Jul 01, 2018 14.750000 %